

## Modifications to Top Line Report

now/soon:

- precise drop dates/windows for mailing
- complete description of audience
- postage used
- overview of creative theme
- full description of coupon offers: number of coupons, value and expiration date
- complete description of tests
- for mailings w/ distinct Menthol creative and offers develop separate analysis
- entire report in chronological order or reverse chron. order
- more in-depth analysis of data at pre-determined points during program. Would include:
  - separate analysis of non-Menthol and Menthol mailings
  - response and redemption figures
  - coupon, continuity and any other "offers"
  - broken down by
    - premium vs. discount
    - specific brands: Camel, Winston, Lucky Strike, Newport, Kool, Salem, Doral, GPC
    - gender
    - age
    - Region

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Possible ways in which DM program could be expanded:

**Volume (incremental) generation as top priority**

- expand audience mailed:
  - Marlboro low loyals up to 49% (50% or more often these smokers are purchasing another brand!)
  - Marlboro low loyals up to 79%
- increase frequency of mailings
  - Current (1/quarter, approx. 1/12-13 weeks). Competitors (approx. 1/1-2 months). 80% of our coupons appear to have been redeemed by week 8. could increase to 1/8 weeks or 1/10 weeks. For entire audience or "key" segment (e.g., 21-29, Doral, Winston, Camel, Newport)
- geographically focused initiatives
  - e.g., identify areas of weakness on a regular (quarterly?) basis and do a supplemental mailing to consumers in those areas

**Trial generation/conversion as a goal - separate or secondary**

- Pursue New names program (appears that our competitors are responding quickly and frequently to new additions to their database)
- Utilize cooking and racing themes w/ sub-segment of audience
- Other "female" - focused offers
- Continue to develop distinct Menthol versions
- Develop version for Hispanic consumers
- Unique offers: Miles for Services, tickets to events, Miles for cartons
- New/unique packaging

**Tests**

- Response to "focused" gear initiatives
- Improved model vs. old loyalty model
- Response (to gear and to coupons) of consumers in other loyalty buckets (e.g., 20-49, 50-79)
  - Varying coupon values/combinations based on various factors (in order to achieve optimal results). E.g., by:
    - age
    - brand smoked
    - stated preference as carton or pack smoker
    - ave. retail price in Region/Section mailed to
    - competitive/Marlboro performance (e.g., test richer offers in geos where Marlboro is weak)

In particular, it may be interesting to do some tests w/ hard to reach smokers

- Camel and Newport: try different combinations of pack and carton coupons and different \$ off (e.g., \$.20/pack, \$.50/2 packs, etc.)

**Recommendation:**

- expand volume mailings to include 20-49% loyals
- increase frequency of mailings (approx. 2 x per quarter or 1/6-9 weeks) to key consumers: all 21-29 compet. and Marlboro low loyals (0-49), Doral, Winston, Camel, Lucky Strike, Newport, Kool, Salem, new names (new to database w/in past year)
- to economize, have 2-4 mailings w/ unusual/high impact, expense creative and remainder quality but simple and low cost.

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